

Editorial: Local banks prime the Massachusetts economy

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By **The Republican Editorials**



The Republican staff file photoHampden Bank last week became the 50th participant in Massachusetts' Small Business Banking Partnership.

If small businesses are healthy, the economy is healthy. And the way for small **businesses** to thrive is having access to credit.

It's a simple formula that has been tested mightily over the course of the Great Recession, which has had a chilling effect on both lenders and borrowers across the country following the financial meltdown of 2008.

Things are beginning to look up – especially here in Massachusetts. Thanks to a program promoted by the state treasurer's office, 50 banks are making credit available to the small businesses that are the backbone of the Bay State economy.

Last week, state Treasurer Stephen **Grossman was in Springfield to promote** the state's Small Business Banking Partnership and celebrate the Hampden Bank for becoming the 50th bank to participate in the program. Under the partnership, Grossman's office has deposited \$278 million with local banks – money that had previously been deposited with large savings institutions, often overseas. Banks pay a floating interest rate of about a quarter of one percent, in return for lending the money out to small businesses.

"This is about rewarding the heroes of the recession, community banks and small business," Grossman said during a recent meeting with The Republican's Editorial Board. "Particularly because those will be the one who will supply the Little League uniforms, and the batting helmets. This is how you build the local economy."

Grossman is right. Small businesses create jobs and the people who hold those jobs use their paychecks to help other small businesses. Small businesses also support the quality of life in the community – from the Little League to the food pantry drive. Small businesses can turn into big businesses, too.

All it takes is some faith and credit from local banks. Besides Hampden Bank, we salute the participating banks headquartered in the four western counties including Chicopee Savings, Greenfield Co-operative Bank, Berkshire Bank, Nuvo Bank and Trust Co. in Springfield and Westfield Bank.

They are, indeed, local heroes.